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E.O. 12958: N/A
TAGS: ECON EFIN EINV KSPR KIDE KTDB ELAB GR
SUBJECT: 2006 INVESTMENT CLIMATE STATEMENT GREECE

REF: STATE 202943

This cable transmits the 2006 Investment Climate Statement for Greece.

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INVESTMENT CLIMATE STATEMENT
January 2006
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## A.1. Openness to Foreign Investment

Greece, a member of the European Union, provides a reasonably hospitable climate for foreign investment. Greece's membership in the EU's Economic and Monetary Union offers currency stability. Greece's infrastructure has improved significantly in the last three years, and the ongoing liberalization of the energy and telecommunication markets offer investment opportunities. Greek businesses are among the leading investors in Southeast Europe, and Greece is actively trying to position itself as a hub for Balkan trade. The economy is projected to grow by approximately 3-3.5 percent annually over the next three years. Growth has been financed by private sector borrowing and public sector absorption of EU structural adjustment funds, which totaled roughly 24 billion dollars for the 2000-2006 period. A similar amount of EU funding, approximately 24 billion USD, has been allocated for Greece for 2007-2013, and the Greek government has budgeted 3.5 billion during the same period for infrastructural projects.

The Greek government encourages private foreign investment as a matter of policy. Investments are screened only when the investor wants to take advantage of government provided tax and investment incentives. In such cases, foreign and domestic investors face the same screening criteria. Greece, which restricted foreign and domestic private investment in public utilities, has opened its telecommunications market and is in the process of slowly liberalizing its energy sector. Restrictions exist on land purchases in border regions and on certain islands (on national security grounds). Also U.S. and other non-EU investors receive less advantageous treatment than domestic or EU investors in the banking, mining, broadcasting, maritime, and air transport sectors (these sectors were opened to EU citizens due to EU single market rules). Foreign investors can buy shares on the Athens Stock Exchange on the same basis as local investors.

Major investment laws are:

-Legislative Decree 2687 of 1953 which, in conjunction with Article 112 of the Constitution, gives approved foreign "productive investments" (basically manufacturing and tourism enterprises) property rights, preferential tax treatment and work permits for foreign managerial and technical staff. The Decree also provides a constitutional guarantee against unilateral changes in the terms of a foreign investor's agreement with the Greek Government, but the guarantee does not cover changes in the tax regime.

-Law 3299/2004, the investment incentives bill, provides grants to cover up to 55 percent of qualifying investments (generally those made in less-developed regions of Greece). Through a combination of incentives and corporate tax breaks, the new law attempts to boost entrepreneurship, foster

technological change, and achieve regional convergence throughout Greece. As well, the law is intended to simplify procedures for the evaluation of investment projects.

-Law 3389/2005 on Public Private Partnerships (PPP) lays the foundations for the wide provision of services and the undertaking of construction work of public benefit in collaboration with and co-funded by the private sector. This law is designed to facilitate public-private partnerships by creating a market-friendly regulatory environment.

-Laws 89/67 as amended in November 2005, 378/68, 27/75 and 814/78 provide special tax treatment for offshore operations of foreign companies established in Greece.
-Law 468/76 governs oil exploration and development in Greece. Law 2289/95, amending this legislation, allows private participation in oil exploration and development.

-Law 2773/99 opened up 34 percent of the Greek energy market in compliance with EU Directive 96/92 concerning the regulation of the internal electricity market. Law 3175/2003 is also a major step towards the deregulation of Greece's electricity market since it harmonizes Greek legislation with the requirements of the EU's Directive 2003/54/EC on common rules for the internal market in electricity. The Greek government passed new legislation in November 2005, which completes Greece's harmonization with EU Directive 2003/54/EC and provides for the gradual deregulation of the electricity market by 2007.

-Law 2364/95 as amended by Laws 2528/97, 2992/02 and 3175/03 governs the natural gas market in Greece.

-Law 2246/94 and supporting amendments have opened Greece's telecommunications market to foreign investment.

When Greece joined the European Monetary Union ("Eurozone") on January 1, 2001, it committed to serious structural reforms to meet EMU convergence criteria. To this end, the Greek Government has opened the telecommunications market and the energy market has undergone some deregulation. Since February 19, 2001, about 34 percent of eligible consumers of middle and high-tension voltage have had the choice to obtain their electricity from producers other than the state monopoly, the Public Power Corporation (PPC). To this end, the first private electricity generation plant (a 120MW power plant by the Terna-GEK contracting company) was put in operation in July 2005, and a second one (a 400MW power plant by Hellenic Petroleum) in January 2006. Two other private 400MW power plants should be integrated into the system by 2007 and another one by ¶2008. The electricity market in Greece will have to be completely deregulated by 2007. However, serious questions exist regarding the efficacy of the GoG privatization efforts, which continue to include a level of government ownership in many, if not most, reformed enterprises.

The New Democracy government, which assumed power in March 2004, has pledged to undertake fiscal and other structural reforms to enhance the competitiveness of the Greek economy. The new administration has been gradually adopting an economic policy mix designed to achieve fiscal consolidation, implement tax reforms, reduce red tape in business transactions and expedite market deregulation. One of the government's immediate goals is to privatize several state-owned enterprises, including listing the Postal Savings Bank and the Athens International Airport in the Athens Stock Exchange, as well as allowing private ownership of ports and port service facilities. The plans also include the further reduction of the state's share in the Agricultural Bank and the Emboriki Bank. The government has not yet finalized its plans on the future exploitation of the venues for the 2004 Olympic Games, but there are proposals to lease some of them to private concerns. Foreign and domestic investor participation in privatization programs is not subject to restrictions. International consultants are usually hired to act as advisors to the Greek government on the sale of state entities, and the bidding process follows internationally accepted norms.

## A.2. Conversion and Transfer Policies

Greece's foreign exchange market is in line with EU rules on free movement of capital. Receipts from productive investments can be repatriated freely at market exchange rates. Remittance of investment returns is made without delays or limitations. As of January 1, 2001, Greece became part of the European Monetary Union.

## A.3. Expropriation and Compensation

Private property may be expropriated for public purposes, but only in a nondiscriminatory manner and with prompt, adequate and effective compensation. Due process and transparency are mandatory, and investors and lenders receive compensation in accordance with international norms. There have been no expropriation actions involving the real property of foreign investments in recent history.

## A.4. Dispute Settlement

Greece accepts binding international arbitration of investment disputes between foreign investors and the Greek State, and foreign firms have found satisfaction through this arbitration. International arbitration as well as European Court of Justice judgments supersedes local court decisions. Greece has an independent judiciary. Unfortunately, the court system is a highly time-consuming means for enforcing property and contractual rights. Foreign companies report that Greek courts do not always provide unbiased and effective recourse. The Greek judicial system provides for civil court arbitration proceedings for investment and trade disputes. Although an investment agreement could be made subject to foreign legal jurisdiction, this is highly uncommon, particularly if one of the contracting parties is the Greek State. Foreign court judgments are accepted and enforced, albeit slowly, by the local courts. Although there are some problems with corruption in the judiciary, the Greek government is energetically prosecuting corrupt judges and attorneys.

Commercial and bankruptcy laws in Greece are in accordance with international norms. Under Greek bankruptcy law, private creditors receive compensation after claims from the state and insurance funds have been satisfied. Monetary judgments are usually made in the country's currency (euro) unless explicitly stipulated otherwise. Greece has a reliable system of recording security interests in property.

Greece is a member of both the International Center for the Settlement of Investment Disputes and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

## A.5. Performance Requirements/Incentives

Greece is in compliance with WTO TRIMS requirements. Investment incentives are available on an equal basis for both foreign and domestic investors in productive enterprises. The monetary value of an incentive is inversely proportional to the level of development of a given region; in other words, the less developed the region where the investment will occur, the more generous the incentive. The new Investment Incentives Law, 3299/2004, funds up to 55 percent of investments made by older or newly established companies. The incentives provided are combinations of grants, interest subsidies, subsidies for the creation of new jobs as well as for leasing equipment, and tax exemptions.
Additional tax incentives are extended to foreign investors if they establish export-oriented businesses, or if they save foreign exchange through import substitution (Law 2687/53). The Hellenic Center for Investment (ELKE), a quasi-state entity established as a one-stop shop for assisting investors, is responsible for reviewing projects valued over 8.8 million euros ($11.1 million), or 3 million euros ($3.8 million) if there is at least 50 percent foreign participation, for which government incentives are sought.

There are no performance requirements for establishing, maintaining, or expanding an investment. However, performance requirements come into play when an investor wants to take advantage of tax and/or investment incentives. Local content,

import substitution, export orientation, creation of new jobs, energy conservation, environmental protection and technology transfers are considered by the Greek authorities in evaluating applications for investment incentives. Companies that fail to meet the specified performance requirements may be forced to give up the incentives they were initially granted. All information transmitted to the government for the approval process is treated confidentially. Offset agreements, co-production, and

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technology transfers are commonplace in Greece's procurement of defense items.

U.S. and other foreign firms may participate in government-financed and/or subsidized research and development programs. Foreign investors do not face discriminatory or other de jure inhibiting requirements. However, many potential and actual foreign investors assert that the complexity of Greek regulations, the need to deal with many layers of bureaucracy, and the involvement of various government agencies discourage investment.

Foreigners from EU countries may freely work in Greece. Foreigners from non-EU countries may work in Greece after receiving residence and work permits. There are no discriminatory or preferential export/import policies affecting foreign investors, as EU regulations govern import and export policy, and increasingly, many other aspects of investment in Greece.

## A.6. Right to Private Ownership and Establishment

Foreign and domestic private entities have the right to establish and own business enterprises. They may engage in all forms of remunerative activity, including the right to establish, acquire, and dispose of interests in businesses.

Private enterprises enjoy the same treatment as public enterprises with respect to access to markets and other business operations, such as licenses and supplies. Access to credit has traditionally been easier for public enterprises, which could borrow easily from state-controlled banks. Liberalization of the banking system and increased compliance with EU norms, however, have gradually forced state banks to operate in a more market-oriented fashion, making it easier for the private sector to obtain credit.

## A.7. Protection of Property Rights

Greek laws extend protection of property rights to both foreign and Greek nationals. The Greek legal system protects and facilitates acquisition and disposition of all property rights. As for intellectual property, Greece is a member of the Paris Convention for the Protection of Industrial Property, the European Patent Convention, the World Intellectual Property Organization, the Washington Patent Cooperation Treaty, and the Bern Copyright Convention. As a member of the EU, Greece has harmonized its legislation with EU rules and regulations. The WTO-TRIPS agreement has been incorporated into Greek legislation as of February 28, 1995 (Law 2290/95). The Greek government has also signed and ratified the WIPO Internet treaties, which were incorporated into Greek legislation in 2003 (Laws 3183 and 3184/2003)

Greece's legal framework for copyright protection is contained in Law 2121 of 1993 on copyrights and Law 2328 of 1995 on media. Implementation and enforcement of these provisions however, has been deficient and intellectual property problems have long plagued Greece, resulting in its ranking on the Special 301 Watch List from 1994 until 2003. Despite the significant progress, which led to Greece's removal from the Special 301 Watch List in May 2003, enforcement of IPR laws remains a concern. Greek legislation provides for heavy civil and criminal penalties against pirates, however, enforcement is spotty. Getting an IPR violator sanctioned, criminally or civilly, is still time-consuming and difficult. The courts continue to treat IPR violations as nuisance crimes and rarely impose punishments severe enough to act as a deterrent. Additionally, understanding of IPR issues among the population as a whole is low.

The music and software industries bear the brunt of

IPR violations in Greece, although audiovisual piracy also occurs. Unlicensed sharing of a licensed copy among multiple computers is the largest problem for the software industry. For optical media, Greece is not believed to be the source of the majority of pirated CDs, VCDs and DVDs being sold in the country, but rather a link in the chain of an increasingly regional copying and distribution network. Although the Business Software Alliance (BSA) has publicly acknowledged the Greek government's 2002 achievements in combating software piracy, it maintains that Greece still has the highest rate of software piracy in the EU, estimated at 62 percent of programs in use.

Trademark violations, especially in the apparel industry, are an area of increased concern. Although Greek trademark legislation is fully harmonized with that of the EU, U.S. companies believe the importation and sale of counterfeit products is increasing. U.S. companies have reported difficulties in procuring Greek law enforcement and customs support in combating this problem.

Intellectual property appears to be adequately protected in the field of patents. Patents are available for all areas of technology. Compulsory licensing is not used. The law protects patents and trade secrets for a period of twenty years. There is a potential problem concerning the protection of test data relating to non-patented products. Violations of trade secrets and semiconductor chip layout design are not problems in Greece.

## A.8. Transparency of the Regulatory System

As an EU member, Greece is required to have transparent policies and laws for fostering competition. Foreign companies, however, report that they have encountered cases where there are multiple laws covering the same issue, resulting in confusion over which law applies in which situation. Foreign companies consider the complexity of government regulations and procedures -- and the perceived inconsistent implementation by the Greek civil administration -- to be the greatest impediment to investing and operating in Greece.

In order to simplify and expedite the investment process, a quasi-state investment promotion agency, the Hellenic Center for Investment (ELKE), was established in 1996. ELKE functions as a one-stop shop for assisting investors in cutting through red tape and acquiring the numerous permits needed to proceed with investments. It also advises the government on ways to streamline the investment process and to generally improve investment climate in Greece. Also the new investment incentives law 3299/2004 simplifies procedures for the evaluation of investment projects.

Greek labor laws limit working hours, penalize overtime, restrict part-time employment, and are restrictive regarding the dismissal of personnel. A new labor law (3385/2005) passed in July 2005 gives greater flexibility to employers to ask employees to work without overtime during peak times, in return for compensatory time off during non-peak times. Under current regulations, both private and public companies are prohibited from firing or laying-off more than 2 percent of their total workforce per month without government authorization.

Greece's tax regime lacks stability, predictability, and transparency. The government often makes small adjustments to tax levels and has not hesitated to impose retroactive taxation. Foreign investors object to the frequent changes in tax policies, but foreign firms are not subject to discriminatory taxation. The New Democracy government, which assumed power in March 2004, has been gradually adopting an economic policy mix designed to achieve fiscal consolidation, boost development and restore the competitiveness of the economy. Tax reforms approved by Parliament in December 2004 provide for lower tax rates on corporations' profits (from 35 percent to 25 percent by 2007) and on partnerships and personal companies (from 25 to 20 percent). There are also provisions to reduce red tape and other sundry obstacles that affect business activity. New legislation gave the Financial Crimes Unit (which has been restructured and renamed the Special Audits Service) sweeping power to combat money laundering and financial crimes.

Generally, in sectors open to private investment, foreign investment is not prohibited or restricted, either by law or regulation or by private sector efforts or practices. Proposed laws and regulations are usually published in draft form for public comment before being debated in Parliament. Unfortunately, the judicial system, although inexpensive by international standards, is slow and cumbersome, making the courts a time-consuming means for enforcing property and contractual rights. The International Financial Reporting Standards (IFRS) for listed companies has been introduced as of fiscal year 2005, in accordance with EU directives. These new rules should improve the transparency and accountability of publicly traded companies.

## A.9. Efficient Capital Markets and Portfolio Investment

Greece has a reasonably efficient capital market that offers the private sector a wide variety of credit instruments. Credit is allocated by public and private banks on market terms prevailing in the Eurozone and credits are equally accessible by private Greek and foreign investors. Three American banks operate in Greece (Citibank, American Express and Bank of America), serving both the local and international business communities.

An independent regulatory body, the Capital Market Committee, supervises the Athens Stock Exchange and encourages and facilitates portfolio investments. Both owner-registered and bearer bonds and shares are traded on the Athens Stock Exchange which was promoted in 2001 from "emerging market" to "developed country" status by key western investment firms. It is mandatory for the shares of banking, insurance and public utility companies to be registered. Greek corporations listed on the Athens Stock Exchange that are also state contractors are required to have all their shares registered.

A few state-controlled banks dominate the Greek banking industry. Private Greek and foreign banks do, however, comprise an increasingly competitive and generally profitable private sector, holding about 55 percent of the banking system's assets. Private banks in Greece are in good financial health and are expanding their market share. State banks have a large exposure to public enterprises of questionable financial health. Total combined assets of the five largest banks are estimated at 158 billion dollars.

There are a limited number of cross-shareholding arrangements in the Greek market. To date, the objective of such arrangements has not been to restrict foreign investment. The same applies to hostile takeovers (a practice which has been recently introduced in the Greek market).

## A.10. Political Violence

Greece is a stable parliamentary democracy currently governed by a pro-EU, conservative government. Several terrorist groups have been active in Greece since the restoration of democracy in 1974, including the "17 November" and the "ELA" organizations. U.S. and western government and commercial interests, as well as prominent Greek businessmen, journalists and politicians have at times been targeted by these groups. In June 2002, the Greek police arrested 19 suspected members of the "17 November" group and 4 suspected members of "ELA". Most of the members of the "17 November" and the "ELA" terrorist groups were convicted and sentenced to 20-years jail terms or life sentences. It is still too early to assess whether or not the potential for terrorist activities against U.S. commercial interests appears to have eased since these convictions. There has been a significant upswing in anarchist attacks against Greek and occasionally US, businesses. Late night bombing attacks, although primarily directed against Greek targets, have become more frequent in recent months, although there have been no fatalities. The successful staging of the August 2004 Olympic Games, with the concurrent increase in experience and technical capabilities of the Greek police, have provided cause for optimism, however it is yet too soon to declare the eradication of domestic terrorism in Greece.

## A.11.a. Corruption

Bribery is considered a criminal act and the law provides severe penalties for infractions. The law is impartially applied; diligent implementation and enforcement of the law remains an issue. The problem is most acute in the area of government procurement. Political influence and other considerations, such as loyalty to old suppliers are widely believed to play a significant role in the evaluation of bids. Bribery cannot be deducted from taxes. As a signatory of the OECD Convention on Combating Bribery of Foreign Government Officials and all relevant EU-mandated anti-corruption agreements, the Greek Government is committed to penalizing those who commit bribery in Greece or abroad. The OECD Convention was ratified by the Greek Parliament on November 5, 1998 and implementation began as of February 15, 1999.

The Greek Government has tried to fight corruption in public administration. A number of inspection bodies have been established to check out complaints and investigate cases of corruption in the entire spectrum of public administration, including local authorities. The main authority for these inspections is the Public Administration's Inspectors and Auditors Unit, established in 1997, at the Ministry of Interior. Besides this main body of general inspectors, independent inspection divisions exist at various Ministries and in the Greek Police and the Hellenic Coast Guard. Investigation procedures and preliminary inquiries on financial crimes come under the jurisdiction of a special unit in the Ministry of Economy and Finance, the Special Audits Service (Greek acronym: YPEE). The responsibility for the prosecution of bribery cases lies with the Ministry of Justice. In cases where politicians are involved, the Greek Parliament decides whether parliamentary immunity should be lifted to allow a special court action to follow. In recent years, there have been a number of investigations of alleged corruption; there was even a special court action against politicians, including the then Prime Minister, in 1989. The Greek Chapter of Transparency International closely follows developments to press for investigation and prosecution of corruption cases. Greece was in the 47th position on the Transparency International Corruption Perception Index in 2005 (Greece ranked 22nd among the 25 country-members of the EU).

The fight against corruption and the promotion of transparency in all government and business transactions is high on the agenda of the new government (elected in March 2004). In autumn 2004, the Greek parliament started investigating a number of corruption cases relevant to defense equipment purchases and the Ministry of Defense put all pending contracts on hold until they could be reviewed. Since mid-2004, the Greek judiciary is under continuing corruption investigation. At year-end 2005, thirteen justices had been dismissed, nine were temporarily suspended from duty, two were being prosecuted for money laundering and receiving bribes and were in prison, 17 were indicted, and disciplinary action had been initiated against 40 for charges related to corruption. The Greek Parliament decided in November 2005 to lift the immunity of three of its members who have been accused of involvement in court bribery and other criminal cases.

## A.11.b. Bilateral Investment Agreements

Greece has bilateral investment protection agreements with Albania, Algeria, Argentina, Armenia, Azerbaijan, Bosnia, Bulgaria, Chile, China, Croatia, Cuba, Cyprus, Czech Republic, Egypt, Estonia, Georgia, Hungary, Kazakhstan, Korea, Latvia, Lebanon, Lithuania, Mexico, Moldova, Morocco, Poland, Romania, Russia, Serbia, Slovenia, South Africa, Syria, Tunisia, Turkey, Ukraine, Uzbekistan, and Zaire. Investments by EU member states are governed and protected by EU regulations.

Greece and the United States signed the 1954 Treaty of Friendship, Commerce and Navigation, which covers a few investment protection issues, such as acquisition and protection of property and impairment of legally acquired rights or interests. Also, Greece and the United States signed the 1950 Treaty for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on

Income.

## A.11.c. OPIC and other Investment Insurance Programs

Full OPIC insurance coverage for U.S. investment in Greece is currently available only on an exceptional basis. OPIC and the Greek Export Credit Insurance Organization signed an agreement in April 1994 to exchange information relating to private investment, particularly in the Balkans. Other insurance programs that also offer coverage for investments in Greece include the German investment guarantee program HERMES, the French agency COFACE, the Swedish Export Credits Guarantee Board (EKN), the British Export Credits Guarantee Facility (ECGF), and the Austrian Kontrollbank (OKB). Greece became a member of the Multilateral Investment Guarantee Agency (MIGA) in 1989.

For the purposes of OPIC Currency Inconvertibility insurance, it should be noted that since the Greek drachma was included in the European Union's Exchange Rate Mechanism (ERM) on March 16, 1998, currency inconvertibility is no longer an issue. Greece is part of the eurozone as of January 1, 2001.

## A.11.d. Labor

There is an adequate supply of skilled, semi-skilled, and unskilled labor in Greece, although some highly technical skills may be lacking. Illegal immigrants predominate in the unskilled labor sector in many urban areas. The total number of immigrants is estimated as high as one million, nearly one-fifth of the work force. About fifty percent of them are undocumented or hold residence permits that have expired. Greece has started a process to regularize the status of these immigrants, necessary to integrate them into society, but this effort has been marred due to serious bureaucratic problems. Approximately half of the estimated one million aliens in the country are from neighboring Albania.

Overall, the 2005 unemployment rate in Greece was around 10 percent. The Greek government is currently planning to continue labor law reform in an effort to introduce a more flexible labor regime. Labor-management relations in the private sector are generally good, but difficulties exist in the public sector, as evidenced by the higher level of strikes, labor stoppages, and related job actions by public sector employees.

Greece has ratified ILO Conventions protecting workers' rights. Specific legislation provides for the right of association and the rights to strike, organize, and bargain collectively. Greek labor laws prohibit forced or compulsory labor, set a minimum age (15) for the employment of children and determine acceptable work conditions and minimum occupational health and safety standards.

## A.11.e. Foreign Trade Zones/Free Ports

Greece has three free-trade zones, located at Piraeus, Thessaloniki and Heraklion port areas. Greek and foreign-owned firms enjoy the same advantages in these areas. Goods of foreign origin may be brought into these zones without payment of customs duties or other taxes and remain free of all duties and taxes if subsequently transshipped or re-exported. Similarly, documents pertaining to the receipt, storage, or transfer of goods within the zones are free from stamp taxes.

Handling operations are carried out according to EU regulations 2504/88 and 2562/90. Transit goods may be held in the zones free of bond. The zones also may be used for repackaging, sorting and re-labeling operations. Assembly and manufacture of goods are carried out on a small scale in the Thessaloniki Free Zone. Storage time is unlimited, as long as warehouse charges are promptly paid every six months.

## A.11.f. Foreign Direct Investment Statistics

Statistics on foreign direct investment are not collected systematically. Hence there is a wide variation in estimated data on investment levels, which in any case are the lowest in the EU. Greek statistical data were previously based on records of investment approvals kept by the Ministry of National Economy or the Bank of Greece. The lifting of foreign exchange restrictions resulted in less

monitoring of investment inflows and the Ministry of National Economy now keeps records of only the investments that seek government assistance. Bank of Greece records of capital inflows do not distinguish among greenfield investments, acquisitions, foreign borrowing by Greek companies, and other capital transfers. The Greek Government has claimed for several years now that a new data system based on surveys is being set up.

According to UN's trade and development organization's World Investment Report (which is based on Bank of Greece records, with all the limitations as mentioned above), FDI inflows into Greece in 2004 were 1.35 billion dollars (2.6 percent of GDP), increased from 661 million dollars (1.5 percent of GDP) in 2003. Outflows for direct investment abroad were 607 million dollars in 2004 (1.2 percent of GDP) and 47 million dollars (0.1 percent of GDP) in 2003.

Although there is no official estimate of total foreign investment in Greece, the total stock of foreign investment is estimated at around $12 billion, or approximately 6 percent of GDP (in 2004). Until the Greek Government provides more reliable data, this estimate should serve only as a guideline. Again highlighting the absence of reliable data, the U.S. Embassy estimates the total stock of U.S. investment to be about $4.5 billion, more than one-third of the total stock of foreign investment. U.S. firms employ about 11,000 people.

Greece's investment abroad is mainly directed to the Balkans. According to the Greek Ministry of Foreign Affairs, Greek direct investment in the Balkans is estimated at 7.2 billion dollars, one third of which is invested in Serbia, one third in Romania, and the remaining one third in the Republic of Macedonia, Bulgaria and Albania.

Major U.S. investments in Greece:

(Based on 2003 total assets as reported by the companies. Source: 2005 ICAP - Greek Financial Directory)

| NAME OF AMERICAN COMPANY (NAME OF GREEK COMPANY) | TOTAL ASSETS (2003, US $ MILLIONS) |
|---|---|
| Apax Partners & Texas Pacific Group (TIM Hellas) | 1,064.3 |
| Coca Cola Hellas Bottling | 799.7 * |
| Philip Morris Group (Papastratos) (Kraft Hellas) | 419.1 |
| Cinergy (Attiki Gas Supply) | 387.7 |
| First Data (Delta Singular) | 207.8 |
| Searle (Vianex) | 182.0 |
| Crown Cork and Seal (Hellas Can Packaging Mfrs) | 172.7 |
| Abbott Laboratories | 125.5 |
| Johnson & Johnson | 116.7 |
| Schering-Plough | 99.0 |
| Pepsico | 94.8 |
| Procter & Gamble | 83.6 |
| Bristol-Myers Squibb | 77.6 |
| Hewlett-Packard | 66.3 |
| Colgate Palmolive | 63.1 |
| IBM | 52.1 |
| S.C. Johnson and Son | 42.1 |
| Heinz (Copais) | 33.8 |
| McDonald's | 33.8 |
| Dow Chemicals | 31.7 |
| Georgia-Pacific | 30.8 |
| Marriott (Asty) | 29.3 |
| Xerox | 29.0 |
| 3M | 28.3 |
| Ideal Standard | 22.6 |
| Mobil Oil | 20.2 |
| TOTAL | 4,313.6 |

* amount represents 23.81 percent US ownership of the Greek subsidiary's total assets

Major non-U.S. foreign investments in Greece are:

| NAME OF FOREIGN COMPANY (NAME OF GREEK COMPANY) | TOTAL ASSETS (2003, US $ MILLIONS) |
|---|---|
| BRITISH | |
| Vodafone | 1,605.5 |

| | |
|---|---|
| Dixons Overseas Limited (Kotsovolos) | 320.0 |
| BC Partners (Hyatt Hotels Corp.) | 276.0 |
| British American Tobacco | 72.5 |
| Knorr | 21.7 |
| TOTAL | 2,295.7 |

FRENCH

| | |
|---|---|
| Carrefour | 956.6 |
| Lafarge (Heracles General Cement) | 569.2 |
| L'Oreal | 81.2 |
| Alcatel (Nexans Hellas) | 59.3 |
| Air Liquide | 52.0 |
| Pernod Ricard | 37.9 |
| TOTAL | 1,756.2 |

GERMAN

| | |
|---|---|
| Thyssen Krupp (Hellenic Shipyards) | 537.6 |
| Siemens Tele Industrie A.G. | 318.8 |
| Praktiker | 97.0 |
| Bayer | 65.4 |
| Beiersdorf | 40.8 |
| TOTAL | 1,059.6 |

DUTCH

| | |
|---|---|
| Shell | 369.8 |
| Amstel-Heineken (Athenian Brewery) | 335.5 |
| Unilever (Elais Oleaginous Products) (Unilever Hellas) | 274.3 |
| Friesland | 59.4 |
| TOTAL | 1,039.0 |

ITALIAN

| | |
|---|---|
| Italcimenti (Halyps Building Materials) | 150.4 |
| Fulgorcavi Halia (Fulgor Greek Electric Cables) | 119.1 |
| Barilla (Misko) | 68.8 |
| TOTAL | 338.3 |

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